Illinois Commerce Commission Beneficial Electrification Workshops Plan Final (12/8/2021)

I. Purpose

The purpose of the Illinois Commerce Commission (ICC) Beneficial Electrification (BE) Workshop process is to solicit input on the design of beneficial electrification programs that Ameren Illinois and ComEd will offer pursuant to newly enacted <u>provisions of</u> the Illinois Electric Vehicle Act, 20 ILCS 627/45 (EV Act).

This Workshop Plan includes:

- Background on electric vehicle discussions at the ICC
- Process details, including timing; goals; participation; proposed ideas process; website; and Workshop report
- Schedule and topics to address
- Appendix A: Workshop Questions
- Appendix B: Excerpts from Electric Vehicle Act

II. Background

In September 2018, the ICC opened a Notice of Inquiry (NOI) to gather information and opinions from stakeholders on electric vehicles, to help the ICC identify issues, potential challenges, and opportunities for electric vehicle deployment. Initial and Reply Comments submitted were due in October and November 2018, respectively. An ICC Report was finalized in January 2019. Submitted comments and the final report are available on the ICC website: 18-NOI-O1 (illinois.gov)

In August 2020, the ICC opened a Notice of Inquiry to address the impact of electricity rate design on transportation electrification, infrastructure adoption, and beneficial electrification. This NOI included an opportunity for interested parties to comment regarding specific rate designs that could and should be adopted to ensure Illinois electricity rates do not impose barriers to adoption and deployment; and the impact of such rate designs on electric service and electric service affordability. Initial and Reply Comments submitted for the NOI were due in November 2020, respectively. An ICC Report was finalized in March 2021. Submitted comments and the final ICC report are available on the ICC website: 20-NOI-03 (illinois.gov).

In September 2021, the ICC held an informal workshop to discuss the grid-impact of electric vehicles in Illinois. Background information on this workshop is available <u>here</u>. Materials from this meeting are posted on the <u>ICC Beneficial Electrification Workshops page</u>.

Following the ICC's electric vehicles workshop, the Climate and Equitable Jobs Act (CEJA) became law in Illinois on September 15, 2021, including new and updated provisions of the EV

Act.¹ One of the updated provisions to the EV Act requires the ICC to initiate a Beneficial Electrification Workshop process. There are a variety of requirements included in the EV Act regarding topics to be covered at ICC BE Workshop meetings. See Appendix B for excerpted statutory language from the EV Act.

The EV Act also requires Ameren Illinois and ComEd to file Beneficial Electrification Plans with the ICC by July 1, 2022, for beneficial electrification programs starting no later than January 1, 2023. The EV Act requires that the utilities' Beneficial Electrification Plans take into consideration recommendations from the ICC BE Workshop report.

III. Workshop Timing

The EV Act requires ICC BE Workshops to commence by November 30, 2021, and conclude by February 28, 2022. See Section VIII, Schedule, for information on planned meetings.

IV. Workshop Goals

There are three key goals of the ICC BE Workshop process:

1. Focus on discussions that are productive and valuable

- Encourage collaboration and open conversations
- Provide opportunities to educate and inform

2. Be inclusive

- Ensure equitable opportunities for participation, without requiring formal intervention or legal representation
- Encourage participation from diverse stakeholders representing a variety of interests, including stakeholders representing environmental justice and lowincome communities

3. Address topics that will inform Beneficial Electrification Plans

- Identify solutions to barriers/challenges
- Provide opportunities for stakeholder input and ideas to be shared
- Consider incentives, enabling rate structures, and other opportunities for the bill reduction and environmental benefits described in the EV Act

V. Workshop Participation

Participation in the ICC Beneficial Electrification Workshops is open to all interested parties.

Contact the Workshop Facilitator to join the distribution list:

- Email: Celia Johnson (Celia@CeliaJohnsonConsulting.com)
- Phone: (312) 659-6758

The following process is planned to encourage broad participation:

• Hold eight (8) virtual ICC BE Workshop meetings in focused topic areas

¹ See Public Act 102-0662.

- Hold two (2) virtual equity-focused meetings to discuss and request feedback from stakeholders representing environmental justice and low-income communities
- Provide an opportunity for written comments to be submitted following each meeting, with comments due two (2) weeks following each meeting; submitted comments will be posted to the ICC BE Workshops webpage, and may also be utilized in drafting the final Workshop report
- Translate select meeting information in Spanish
- Develop a participation strategy to encourage broad participation and facilitate discussions with and participation from stakeholders representing environmental justice and low-income communities

VI. Proposed Ideas Process

As part of the ICC BE Workshop process, participants are invited to submit recommendations for beneficial electrification investment, incentives, program design(s), and other ideas that the utilities may consider and include in their beneficial electrification plans.

A Proposed Ideas Template was circulated to the Workshop distribution list on October 28, 2021 with a request for ideas. Completed templates are due by Wednesday, November 24. Submittals will be posted on the ICC BE Workshops website. If more than one idea is submitted, participants should submit a form for each idea. Ideas may be scheduled for presentation at future Workshop meetings, with priority given to proposed ideas/recommendations referenced in the EV Act.

The Proposed Ideas Template requests information about ideas/recommendations, including:

- Submitter contact information and company represented;
- Whether the proposed idea is for Ameren Illinois, ComEd, or both utilities;
- In which subject/topic area recommendations are being shared; and
- Specific requests for information about the proposed idea (see template for questions).

VII. Workshop Website

Information about ICC Beneficial Electrification Workshops is available on the <u>ICC Beneficial</u> <u>Electrification Workshops page</u>. Meeting information will be posted on the Workshops page.

VIII. Workshop Report

After the conclusion of the ICC BE Workshop process in February 2022, a final workshop report will be prepared by the Facilitator and ICC Staff and submitted to the Commission by March 31, 2022. See Appendix B for additional information on EV Act requirements for the final report.

IX. Workshop Schedule

Beneficial Electrification Workshop meetings planned in 2021 and 2022 are described in Table 1. Additional information on topics is provided in Section X below, Topics to Address. The schedule and list of topics is subject to change as needed. The process is flexible regarding

reaching stakeholders representing environmental justice and low-income communities. Updates will be communicated to the distribution list.

Table 1: ICC Beneficial Electrification Workshops Schedule			
Date / Time	Agenda	Next Steps	
Pre-CEJA Meeting: September 9, 2021 ICC Electric Vehicles Workshop	ICC held a workshop on the grid-impact of electric vehicles in Illinois. Links to workshop presentations: • Background and Workshop Notice • Ameren Illinois Rider EVCP presentation • ATE presentation • ATE Rate Design Principles • ComEd presentation • Tesla presentation • WeaveGrid presentation	N/A	
Workshop #1: Wed. Nov. 3, 2021 10:00 am – 2:30 pm	 Workshop Focus = Introduction to Process Overview of Beneficial Electrification Workshops Plan, Workshops Process, and Statutory Requirements for Workshops (Facilitator) University of Illinois at Chicago (UIC) presentation on Beneficial Electrification of Transportation workshop process in 2020 + final report 	Feedback on draft Workshop Plan due by Wed. Nov. 17 Written comments on topics covered in workshop #1 due by Wed. Nov. 17 Proposed Ideas Template due by Wed. Nov. 24	
Workshop #2: Wed. Dec. 15, 2021 10:00 am – 3:00 pm	 Process Update Present updated Workshop Plan Present Participation Strategy Workshop Focus = Fleets Part 1 Unique fleet considerations for light, medium and heavy-duty fleets, including government and private fleet vehicles Focus on how delivery services utilities and support fleet vehicle electrification Additional fleet considerations: Health/pollution impacts Delivery Service Rate structures for non-residential customers; incentives 	Written comments on topics covered in workshop #2 due by Friday, Jan. 7	

Date / Time	Agenda	Next Steps
Workshop #3: Wed. Jan. 12, 2022 10:00 am – 3:00 pm	 Workshop Focus = Fleets Part 2 Focus on how delivery service utilities can support transit electrification Unique considerations for public transit fleets and school bus fleets Defining "make ready infrastructure" for public transit and school bus fleets Presentations on idea proposals for public transit and school bus fleets 	Written comments on topics covered in workshop #3 due by Wed. Jan. 26
Equity Meeting #1 ² : Wed. Jan. 19, 2022 6:00 – 7:30 pm	Discuss input and recommendations on equity/environmental justice considerations	Written comments due by Wed. Feb. 2
Workshop #4: Wed. Jan. 26, 2022 10:00 am – 3:00 pm	 Workshop Focus = Other Considerations Transparency, Reporting, and Metrics Utilities' estimates of the total amount of funding available for beneficial electrification programs based on maximum retail rate impact Beneficial electrification program cost recovery Cost / Benefit Analysis Coordination with other incentives and programs (state, national, federal) Workforce development and diversity of contracts Discuss responses to Nov. 3 Workshop questions Idea presentations 	Written comments on topics covered in workshop #4 due by Wed. Feb. 9
Workshop #5 Fri. Feb. 4, 2022 1:00 – 4:00 pm	Additional presentations on ideas / recommendations	Written comments on topics covered during workshop #5 due Wed. Feb. 16

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² Equity and environmental justice will be discussed at all ICC BE Workshop meetings, however two equity-focused meetings are planned to discuss further feedback and recommendations from stakeholders.

Date / Time	Agenda	Next Steps
Workshop #6: Wed. Feb. 9, 2022 10:00 am – 3:00 pm	 Workshop Focus = Residential Customers / Equity + Environmental Justice Panel Discussion: Benefits of EV adoption and barriers to adoption; customer considerations; equity and environmental justice related to EV adoption; alternatives to EV ownership / adoption to bring the benefits of transportation electrification to customers / communities where vehicle ownership is not an option Rate design options for residential customers Defining "make ready infrastructure" for residential Idea presentations 	Written comments on topics covered in workshop #6 due by Wed. Feb. 23
Equity Meeting #2: Wed. Feb. 16, 2022 6:00 – 7:30 pm	Discuss input and recommendations on equity/environmental justice considerations	Written comments due by Wed. March 2
Workshop #7: Wed. Feb. 23, 2022 10:00 am – 3:00 pm	 Workshop Focus = Charging Focus on how delivery service utilities can support public charging Introduction to types of charging and charging considerations The state of managed charging in 2021 Panel discussion: Access to densely populated areas; targeting gaps in deployment (rural areas, State highway corridors); potential solutions Additional topics: Charging interoperability ComEd presentation on recent pilots Open communication standards Chicago Area Clean Cities grant on workplace charging Soft costs 	Written comments on topics covered in workshop #7due by Wed March 9
Workshop #8: Mon. Feb. 28, 2022 10:00 am – 3:00 pm	Meeting TBD: Discuss open issues, if needed	Written comments on topics covered in workshop #8 due by Mon. March 14

X. Topics to Address

ICC BE Workshop meetings will be focused on six (6) topic areas, including:

- 1. Introduction to Process
- 2. Fleets Part 1 (government and private vehicles)
- 3. Fleets Part 2 (public transit and school buses)
- 4. Other Considerations
- 5. Additional Ideas
- 6. Residential Customers + Equity/Environmental Justice
- 7. Charging
- 8. Final Meeting (if needed)

Workshop meeting topic areas are described below. Specific agendas, including questions to discuss, will be provided in advance of each meeting. Due to time constraints of this process in the EV Act, ICC BE Workshop meetings may not be able to cover all questions and issues of interest from participants. Topics referenced in the EV Act will be prioritized.

1. Workshop Focus: Introduction to Process

- Introductory presentation on EV Act; introduction to proposed ideas process; overview of proposed Workshop Plan
- University of Illinois at Chicago (UIC) presentation on Beneficial Electrification of Transportation workshop process in 2020 + final report

2. Workshop Focus: Fleets Part 1

- Process Update
 - o Present updated Workshop Plan
 - Present Participation Strategy
- Unique fleet considerations for light, medium and heavy-duty fleets, including government and private fleet vehicles
- Focus on how delivery services utilities can support fleet vehicle electrificationAdditional fleet considerations:
 - Health/pollution impacts and equity/environmental justice considerations
 - o Delivery Service Rate structures for nonresidential customers; incentives

3. Workshop Focus: Fleets Part 2

- Public transit considerations
 - Unique fleet considerations for transit
 - Chicago Transit Authority
 - o Presentation from another state/jurisdiction
 - o Electric bus manufacturer presentation
 - o Defining "make ready infrastructure"
 - Public transit idea proposals
- School bus considerations

- Unique fleet considerations for school bus operations, including barriers and benefits
- School bus manufacturer presentation
- o Defining "make ready infrastructure"
- Other topics may include: Incentives; bulk purchase agreements
- School bus idea proposals

4. Workshop Focus: Other Considerations

- Transparency and Reporting; Program Metrics for Success
- Utilities' estimates of the total amount of funding available for beneficial electrification programs based on maximum retail rate impact
- Beneficial electrification program cost recovery
- Cost / Benefit Analysis
 - The avoidance and reduction in capacity costs from optimized charging and offpeak charging
- Coordination with other incentives and programs (local, state, federal)
 - o Illinois Environmental Protection Agency Charging Program
 - o EV Ready Program (Metropolitan Mayors Caucus and Green Ways 2 Go)
 - o Federal infrastructure law opportunities
- Discuss responses to questions raised during 11/3 Workshop
- Workforce development and diversity of contracts
- Idea presentations

5. Workshop Focus: Additional Ideas

• Ideas and recommendations submitted by interested Workshop participants that are not scheduled at other Workshop meetings will be presented at Workshop #5.

6. Workshop Focus: Residential Customers + Equity and Environmental

- Panel Discussion:
 - Residential customer considerations; equity and environmental justice issues; alternatives to EV ownership / adoption to bring the benefits of transportation electrification to customers / communities where vehicle ownership is not an option
- Rate design options for residential customers; methods of minimizing ratepayer impacts
- Defining "make ready infrastructure"
- Idea presentations
 - o Rebates and incentives
 - o Education and outreach

7. Workshop Focus: Charging

- Focus on how delivery service utilities can support public charging
- Introduction to types of charging and charging considerations

- The state of managed charging in 2021
- Panel discussion:
 - Access to densely populated areas; targeting gaps in deployment (rural areas, State highway corridors); potential solutions
- Additional topics:
 - o Charging interoperability
 - o ComEd presentation on recent pilots
 - o Open communication standards
 - o Chicago Area Clean Cities grant on workplace charging
 - Soft costs
- Additional charging considerations:
 - o Equity and environmental justice considerations
 - o Securing optimized charging
 - o Charge management policies
 - o Make-ready investments (electrical infrastructure required for charging stations)
 - o Level 1, Level 2 and Level 3 charging

8. Workshop Focus: Final Meeting (TBD)

• Final meeting to discuss open issues, if needed.

Appendix A: Workshop Questions

The questions included in this Appendix A were submitted by interested Workshop participants as part of feedback requested by ICC Staff in preparing the Workshop Plan. Due to time constraints, the Workshop process will not address all questions submitted, however the Facilitator and the ICC Staff will review submitted questions when planning for the topic-specific Workshop meetings described in Section X of this Workshop Plan.

Beneficial Electrification Plan Questions

- 1. What are the ICC's and utilities' estimates of the total amount of funding available for beneficial electrification programs, based on the Act's language regarding the maximum retail rate impact
- 2. Is there separate or new funding for the program; what is the source of funding and how will it be allocated?
- 3. Is there funding or authorization for the incentivization of EV charging in EJ and low-income communities?
- 4. What utility teams / individuals will be responsible for administering specific elements of the Beneficial Electrification Plans? (including designated utility contacts)
- 5. What technical support will the utilities offer for EV charging infrastructure planning (including feasibility, identification of required improvements, joint planning for distribution upgrades, etc.)?
- 6. What are the ICC's and utilities' estimates of the total amount of funding available for beneficial electrification programs, based on the Act's language regarding the maximum retail rate impact?
- 7. How can the stakeholder process draw from lessons learned deploying beneficial electrification programs in other states?
- 8. How do the incumbent utilities plan on working with stakeholders, such as fuel retailers, to ensure that all market participants have equitable access to EV charging incentives?
- 9. How does Illinois set a rate design that is fair to all stakeholders, including the utility, the ratepayer, the end user, and the retail fuel provider? Similarly, how do demand charges affect this issue?

Funding / Incentive Questions

- 1. What funding / incentives (and eligible uses) will be offered to promote enabling infrastructure for expanded EV charging (including wires, transformers / switching equipment, energy storage, etc.)?
- 2. What funding / incentives (and eligible uses) will be offered to EV charging equipment owners / operators to ensure that affordable charging can be made available to populations with limited access to EVs and charging?
- 3. What funding / incentives (and eligible uses) will be offered to support new EV charging facilities for EV fleets, freight, medium-duty, and heavy-duty vehicles?
- 4. Will there be funding available for small renewable energy companies?
- 5. How will electric vehicle drivers be incentivized to charge at home during off-peak hours and what electricity tariffs need to be in place to induce such charging behaviors?

- 6. How does Illinois ensure that it creates a business climate that incentivizes private capital use for the efficient and effective installation, ownership, and operation of charging stations?
- 7. Will there be any state or federal incentives to purchase EV vehicles for municipal fleets?

Program Design Questions

- 1. What program designs best support the goal of 1 million electric vehicles by 2030?
- 2. What are the plans for integration of energy storage and renewables to satisfy the increasing over time electric vehicle charging demand?
- 3. What are the plans in place for equitable access to electric vehicle chargers for low income communities and multi-unit dwellings residents?

Electric Vehicle Act Questions

- 1. Is there general alignment on how some of the definitions in the bill should be interpreted? For instance, there may be different points of view on "equity investment eligible community."
- 2. How should the "cost-beneficial" language be applied for assessing Beneficial Electrification Plans?
- 3. Current and foreseeable technology does not meet the needs at the heavier end of transportation segment. Accordingly, how does the General Assembly and ICC propose to address the decarbonizing of the medium and heavy-duty, long-haul segment of transportation?

Additional Questions

- 1. What will be the requirement for small companies to participate and obtain projects/contracts?
- 2. Automaker vehicle electrification plans: What are automaker views, plans, and timelines for vehicle electrification (and related services)? What should utilities and state regulators be doing to enable this transition and to ensure no one is left behind, and are we moving fast enough?
- 3. Industry charging investments and announcements: What investments are charging companies and automakers making in infrastructure? Given the influx of industry and federal funding, what is the role of utilities and state regulators on infrastructure deployment, VGI, etc.?
- 4. Soft costs and delays: What can we do to reduce "soft costs" of infrastructure deployment and to minimize delays?
- 5. [Chicago Transit Authority, or CTA] understands that the Illinois EPA, not the ICC or utilities, is responsible for the charging infrastructure rebate program; however, we have questions about the program that may affect how funding is prioritized for the utilities' Beneficial Electrification programs:
 - a. Is CTA eligible for the charging infrastructure rebate program described in the Act? The language of the Act does not appear to exclude heavy-duty vehicle charging infrastructure, but these chargers are much more expensive and are specialized equipment for non-public use.
 - b. What is the funding source for the charging infrastructure rebate program, and what is the estimated annual funding level?

- 6. How does Illinois ensure that its policy does not significantly or unfairly raise monthly electric rates for state residents who do not utilize EVs particularly those in lower and fixed income communities who are the most price-sensitive to electric bill fluctuations?
- 7. How does Illinois ensure that all market participants in the EV charging industry have a fair and equitable opportunity to compete for customers?
- 8. How does Illinois ensure that incumbent utilities do not "self-deal" by offering certain "utility-adjacent" charging stations lower electric rates in contrast to third-party market participants a utility may view as a competitor?
- 9. Will there be assistance on educating the public about EVs and renewable energy (such as solar panels on homes, charging station options, and EV programs)?
- 10. When will EV medium and heavy-duty dump vehicles be available?
- 11. Is there a track record of EV vehicles, what works and what doesn't work?

Appendix B: Excerpts from Electric Vehicle Act

Excerpted language from the Illinois Electric Vehicle Act is below, related to topics ICC BE Workshops are required to cover. See <u>provisions of</u> the Illinois Electric Vehicle Act, 20 ILCS 627/45.

Benefits and Barriers to Electric Vehicle Adoption

The purpose of the workshop process is to solicit input on the design of beneficial electrification programs that Ameren Illinois Company ("Ameren Illinois") and Commonwealth Edison Company ("ComEd") shall offer pursuant to the Electric Vehicle Act. The workshops shall:

- Be organized and facilitated in a manner that encourages representation from diverse stakeholders, including stakeholders representing environmental justice and low-income communities;
- 2) Ensure equitable opportunities for participation, without requiring formal intervention or representation by an attorney;
- 3) Take into consideration the benefits of electric vehicle adoption and barriers to adoption, including:
 - a. the benefit of lower bills for customers who do not charge electric vehicles;
 - b. benefits to the distribution system from electric vehicle usage;
 - c. the avoidance and reduction in capacity costs from optimized charging and offpeak charging;
 - d. energy price and cost reductions;
 - e. environmental benefits, including greenhouse gas
 - f. current barriers to mass-market adoption, including cost of ownership and availability of charging stations;
 - g. current barriers to increasing access among populations that have limited access to electric vehicle ownership, communities significantly impacted by transportation-related pollution, and market segments that create disproportionate pollution impacts;
 - h. benefits of and incentives for medium-duty and heavy-duty fleet vehicle electrification:
 - i. opportunities for eligible communities to benefit from electrification; and
 - j. geographic areas and market segments that should be prioritized for electrification infrastructure investment.
- 4) Consider barriers, incentives, enabling rate structures, and other opportunities for the bill reduction and environmental benefits described in the new statute.

Final Workshop Report

The ICC BE Workshop report shall include, but need not be limited to, recommendations for transportation electrification investment or incentives in the following areas:

1) Publicly accessible Level 2 and fast-charging stations, with a focus on bringing access to transportation electrification in densely populated areas and workplaces within eligible communities:

- 2) Medium-duty and heavy-duty charging infrastructure used by government and private fleet vehicles that serve or travel through environmental justice or eligible communities;
- 3) Medium-duty and heavy-duty charging infrastructure used in school bus operations, whether private or public, that primarily serve governmental or educational institutions, and also serve or travel through environmental justice or eligible communities;
- 4) Public transit medium-duty and heavy-duty charging infrastructure, developed in consultation with public transportation agencies; and
- 5) Publicly accessible Level 2 and fast-charging stations targeted to fill gaps in deployment, particularly in rural areas and along State highway corridors.

The report must also identify the participants in the process, program designs proposed during the process, estimates of the costs and benefits of proposed programs, any material issues that remained unresolved at the conclusions of such process, and any recommendations for workshop process improvements. The report shall be used by the Commission to inform and evaluate the cost effectiveness and achievement of goals within the submitted Beneficial Electrification Plans.

Ameren Illinois and ComEd Beneficial Electrification Plan Requirements

The Beneficial Electrification Plan shall specifically address, at a minimum, the following:

- (i) make-ready investments to facilitate the rapid deployment of charging equipment throughout the State, facilitate the electrification of public transit and other vehicle fleets in the light-duty, medium-duty, and heavy-duty sectors, and align with Agency-issued rebates for charging equipment;
- (ii) the development and implementation of beneficial electrification programs, including time-of-use rates and their benefit for electric vehicle users and for all customers, optimized charging programs to achieve savings identified, and new contracts and compensation for services in those programs, through signals that allow electric vehicle charging to respond to local system conditions, manage critical peak periods, serve as a demand response or peak resource, and maximize renewable energy use and integration into the grid;
- (iii) optional commercial tariffs utilizing alternatives to traditional demand-based rate structures to facilitate charging for light duty, heavy duty, and fleet electric vehicles;
- (iv) financial and other challenges to electric vehicle usage in low-income communities, and strategies for overcoming those challenges, particularly in communities and for people for whom car ownership is not an option;
- (v) methods of minimizing ratepayer impacts and exempting or minimizing, to the extent possible, low-income ratepayers from the costs associated with facilitating the expansion of electric vehicle charging;
- (vi) plans to increase access to Level 3 Public Electric Vehicle Charging Infrastructure to serve vehicles that need quicker charging times and vehicles of persons who have no other access to charging infrastructure, regardless of whether those projects participate in optimized charging programs;
- (vii) whether to establish charging standards for type of plugs eligible for investment or incentive programs, and if so, what standards;

- (viii) opportunities for coordination and cohesion with electric vehicle and electric vehicle charging equipment incentives established by any agency, department, board, or commission of the State, any other unit of government in the State, any national programs, or any unit of the federal government;
- (ix) ideas for the development of online tools, applications, and data sharing that provide essential information to those charging electric vehicles, and enable an automated charging response to price signals, emission signals, real-time renewable generation production, and other Commission-approved or customer-desired indicators of beneficial charging times; and
- (x) customer education, outreach, and incentive programs that increase awareness of the programs and the benefits of transportation electrification, including direct outreach to eligible communities.